Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 15901 01 OF 02 191246Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04
NSAE-00 SIL-01 OMB-01 TRSE-00 DODE-00 PM-05 H-01
L-03 NSC-05 PA-01 SP-02 SS-15 ICA-11 /080 W
----------039843 191708Z /46/
R 181841Z MAY 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 1753
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY ROME
AMCONSUL BORDEAUX
AMCONSUL LYON
AMCONSUL MARSEILLE
AMCONSUL NICE
AMCONSUL STRASBOURG

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 15901

USEEC

E.O. 11652: N/A
TAGS: ELAB, FR
SUBJECT: THE SOCIAL BAROMETER: FALLING?

REF: (A) PARIS 14344, (B) PARIS 11705

1. SUMMARY: THE LONG AWAITED RETURN TO COLLECTIVE BARGAINING IS MOVING MORE SLOWLY THAN HOPED, AND NOTHING MUCH IN THE WAY OF RESULTS IS EXPECTED BEFORE THE FALL. HOWEVER, BOTH PRICES AND UNEMPLOYMENT ARE RISING BRISKLY, AND THERE ARE SIGNS THAT THE AVERAGE MAN'S PATIENCE IS NOT LIMITLESS.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 15901 01 OF 02 191246Z

ALL THIS MEANS THAT THE END OF AUTUMN COULD SEE THE GOVERNMENT'S SOCIAL INITIATIVE STALL, AND THE BAD OLD DAYS RETURN. END SUMMARY.

2. PREDICTABLY, THE POST-ELECTION HOPES FOR IMMEDIATE PROGRESS IN THE SOCIAL FIELD ARE BEGINNING TO WEAR THIN. THE CFDT'S DECISION TO RETURN TO BARGAIN-

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

ING AS OPPOSED TO POLITICAL ACTION, FACILITATED THE MEANS FOR RESOLVING SOME OF THE CHIEF ISSUES DIVIDING LABOR, MANAGEMENT, AND THE GOVERNMENT. BUT THE DIFFERENCES THEMSELVES REMAIN UNSETTLED, AND PROGRESS AT GETTING THE BARGAINING PROCESS STARTED UP AGAIN HAS BEEN PECULIARLY SLOW. AS OF THIS DATE, SOME TWO MONTHS AFTER THE ELECTIONS AND THE CFDT'S SWITCH IN LINE, THERE IS STILL ONLY TENTATIVE AGREEMENT BETWEEN THE MAJOR UNIONS AND THE EMPLOYERS ON HOW THEIR NEGOTIATIONS ARE TO PROCEED; AND EVEN THE REFORMISTS ARE TAKING THEIR GOOD TIME IN CONSULTING WITH EACH, IN ADVANCE. (THE INITIAL COORDINATING SESSIONS AMONGST THESE UNIONS WILL NOT BE OVER UNTIL THE FIRST WEEK IN JUNE.)

3. IN PART, THIS SITUATION REFLECTS THE COMPLEXITY OF THE BARGAINING SITUATION. EVERYONE RECOGNIZES THAT THE GENERAL ECONOMIC SITUATION DOES NOT PERMIT MUCH MANEUVER ON WAGE ISSUES, AND NO BIG BREAK THROUGH IS EXPECTED. COMPLICATING MATTERS STILL FURTHER IS THE GOVERNMENT'S INDIRECT REFUSAL TO MAKE THE LEGAL MINIMUM WAGE A DIRECTLY NEGOTIABLE ITEM. ALL THIS PUTS MORE PRESSURE ON THE PARTIES' NON-WAGE TARGETS: VACATIONS, WORKING CONDITIONS, AND SUPPLEMENTAL INSURANCE BENEFITS, WITH LABOR'S DEMANDS FOR MORE BEING COUNTERED BY MANAGEMENT'S LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

CALLS FOR "GIVE-BACKS"; AND FOR THE FIRST TIME IN A LONG WHILE, THE EMPLOYERS ARE TAKING THE INITIATIVE IN PROPOSING WHAT IS TO BE BARGAINED OVER.

4. MORE FUNDAMENTALLY, HOWEVER, THE BARGAINING CLIMATE IS BEING INFLUENCED BY THE WIDESPREAD BELIEF THAT THERE ARE ELEMENTS IN BOTH BUSINESS AND LABOR WHO DON'T WANT TO SEE ANY BIG "BREAKTHROUGH" ON THE SOCIAL FRONT. (THIS IS QUITE APART FROM THE OPPOSITION OF THE SMALL BUSINESS ORGANIZATION TO HAVING BIG BUSINESS NEGOTIATE FOR IT.) MANY TRADE UNIONISTS, AND SOME PATRONAT OFFICIALS, PRIVATELY EXPRESS THEIR CONCERN THAT WITHIN THE BUSINESS COMMUNITY THERE ARE THOSE WHO BELIEVE THAT THE PRESERVATION OF THE STATUS QUO IS IN THEIR FINANCIAL INTERESTS. SIMILARLY, THERE ARE ELEMENTS IN SOME OF THE UNIONS (AND NOT JUST THE CGT) WHICH DESIRE NO REAL RELAXATION OF SOCIAL TENSIONS. THESE TWO GROUPS, EACH FOR ITS OWN REASONS, HAVE NO INTEREST IN SEEING A TRIUMPH FOR "REFORMISM" AND COLLECTIVE BARGAINING AND ARE SUSPECTED OF INTENDING TO MAKE THE NEGOTIATIONS AS DIFFICULT AS POSSIBLE.

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

ONLY THE MOST CAREFUL PREPARATIONS ARE SEEN AS BEING
ABLE TO COUNTER THAT KIND OF NEGATIVE INFLUENCE.

5. COMPLICATING MATTERS IS THE FACT THAT THE

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 15901 02 OF 02 191555Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04
NSAE-00 SIL-01 OMB-01 TRSE-00 DODE-00 PM-05 H-01
L-03 NSC-05 PA-01 SP-02 SS-15 ICA-11 /080 W
----------043242 191709Z /46
R 181841Z MAY 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 1754
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY ROME
AMCONSUL BORDEAUX
AMCONSUL LYON
AMCONSUL MARSEILLE
AMCONSUL NICE
AMCONSUL STRASBOURG

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 15901

USEEC

NEGOTIATIONS ARE NOT TAKING PLACE IN A VACUUM. THE
GOVERNMENT HAS ANNOUNCED SHARP RISES IN THE PRICE
OF SERVICES DIRECTLY AFFECTING EVERYONE (MAIL AND
TELEPHONE RATES, TRAIN FARES, ETC.), AND THE PRICES
OF GOODS, INCLUDING FOOD, ALSO ARE CLIMBING.
FURTHER, THERE HAS BEEN AN EROSION IN THE OVERALL
EMPLOYMENT SITUATION AS A NUMBER OF PLANTS,IN THE
POST-ELECTION PERIOD, HAVE ANNOUNCED LAYOFFS OR
CLOSURES. THE GOVERNMENT HAS TRIED TO COUNTER
THESE PSYCHOLOGICAL SHOCKS BY STRESSING THAT IT
INTENDS TO MAINTAIN PURCHASING POWER, AND IN THE

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

CASE OF THE LOWEST PAID WORKERS, RAISE IT; AND THAT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 15901 02 OF 02 191555Z

A NEW NATIONAL PACT FOR EMPLOYMENT WILL BE INTRO-
DUCED. BUT THE SHOCKS REMAIN, AND THERE IS SMALL
COMFORT IN THE KNOWLEDGE THAT SOME OF THE PRICE
INCREASES ARE EARMARKED TO PAY FOR THE UNEMPLOYMENT
PROGRAM.

6. UNDER THESE CIRCUMSTANCES, THERE IS SOME APPRE-
HENSION OVER SIGNS THAT THE AVERAGE MAN'S PATIENCE
WITH THE PRESENT SITUATION IS NOT UNLIMITED. THERE
HAS BEEN A FAIRLY EFFECTIVE BUS STRIKE IN PARIS;
SCATTERED, SMALL, BUT NASTY INCIDENTS IN THE PRIVATE
SECT OR; AND SOME SIGNS OF GROWING MILITANCY WITHIN
THE PUBLIC SECTOR. THE REAL DANGER, HOWEVER, LIES
NOT WITH ANY THREAT OF A WAVE OF STR IKES, BUT RATHER
WITH THE POSSIBILITY THAT THE GOVERNMENT'S SOCIAL
INITIATIVE MAY BECOME DISCREDITED. AS HAS BEEN
NOTED, THE NEGOTIATIONS ARE PROCEEDING SLOWLY, AND
ARE UNLIKELY TO GET DOWN TO BUSINESS UNTIL SEPTEMBER.
IF THESE SESSIONS PRODUCE LITTLE, OR NOTHING, THERE
IS DANGER OF A BACKLASH. IN THAT CONNECTION, IT IS
INTERESTING THAT THERE IS WIDESPREAD SKEPTICISM
AMONGST THE REFORMISTS AS TO THE EXTENT AND SINCERITY
OF THE CFDT'S COMMITMENT TO THE SUCCESS OF THE
NEGOTIATIONS; AND IN SOME CASES A REAL FEAR THAT
THAT UNION MAY SABOTAGE THEM SO AS TO DISCREDIT NOT
ONLY THE GOVERNMENT BUT THE REFORMIST UNIONS AS WELL.
THUS, EVEN WITHIN FORCE OUVRIERE, THERE IS SOME
PRIVATE CONCERN THAT GENERAL SECRETARY BERGERON
HAS ALREADY PLACED TOO MUCH CONFIDENCE IN THE GOOD
FAITH OF THE BUSINESS COMMUNITY, AND THE WILLINGNESS
AND ABILITY OF THE GOVERNMENT TO INSURE THAT PROGRESS
IS MADE. IF THESE SKEPTICS ARE RIGHT, LATE
FALL MAY SEE THE LABOR SCENE IN FRANCE BACK TO WHERE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 15901 02 OF 02 191555Z

IT WAS A YEAR AGO.
HARTMAN

LIMITED OFFICIAL USE

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, ECONOMIC REPORTS, FINANCIAL TRENDS, INTELLIGENCE ASSESSMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARIS15901
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780211-0763
Format: TEL
From: PARIS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780545/aaaablox.tel
Line Count: 218
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: aac3309b-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 PARIS 14344, 78 PARIS 11705
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2651198
Secure: OPEN
Status: NATIVE
Subject: THE SOCIAL BAROMETER: FALLING?
TAGS: ELAB, FR
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/aac3309b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014